

WILLKIE FARR & GALLAGHER

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20036-3384  
Tel: 202 328 8000  
Fax: 202 887 8979

November 14, 2001

**VIA COURIER**

01-3141

Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

Re: In the Matter of NEVD Holdings, LLC Application for Authority Under Section 214 of the Communications Act of 1934, as amended, for a *Pro Forma* Transfer of Corporate Control of a Common Carrier Providing Domestic Interstate Service

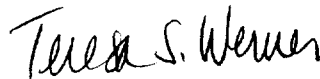
Dear Ms. Salas,

On behalf of NEVD Holdings, LLC, attached is an original and five copies of a corrected signature page to be included with the above-captioned amended filing made with your office on November 5, 2001. The November 5<sup>th</sup> filing amended an October 18, 2001 filing made with the Filing Secretary in Pittsburgh, PA.

The November 5<sup>th</sup> amended filing inadvertently provided an incorrect title for one of the signatories. No other changes were made to the application itself. The date-stamped copy of the amended application is attached to the amended signature page for your convenience.

Please date-stamp the duplicate copy enclosed herein and return it to the courier. If there are any questions regarding this filing, please contact me at the above number.

Very truly yours,



Teresa S. Werner  
Counsel to NEVD Holdings, LLC

Enclosures

cc: Tracey Wilson, Common Carrier Bureau, Policy and Program Planning Division (via facsimile)

**V. Anti-Drug Abuse Act of 1998**

As evidenced by the certification provided in Attachment 1, no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

**VI. Conclusion**

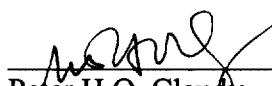
In light of the above, NEVD and the Investors respectfully request that the Commission expeditiously grant this Amended Application.

Respectfully submitted,

By:

\_\_\_\_\_  
David Mayer  
Executive Vice President and CIO  
NEVD Holdings, LLC  
222 Richmond Street  
Suite 206  
Providence, RI 02903

By:

  
\_\_\_\_\_  
Peter H.O. Claudy  
Manager of the General Partner, M/C Venture  
Partners V, L.P.  
Manager, M/C Venture Investors LLC  
Vice President of the General Partner, Chestnut  
Venture Partners, L.P.  
75 State Street, Suite 2500  
Boston, MA 02190

Thomas Jones  
Michael Jones  
Teresa Werner  
WILLKIE FARR & GALLAGHER  
1155 21<sup>st</sup> Street, NW, Suite 600  
Washington, D.C. 20036  
Tel. (202) 328-8000  
Fax (202) 887-8979

Counsel for NEVD Holdings, LLC

November 6, 2001

BEFORE THE  
Federal Communications Commission  
WASHINGTON, D.C.

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NOV 5 2001

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
 )  
Amended Application for Authority Under )  
Section 214 of the Communications Act )  
of 1934, As Amended, For a Transfer of )  
Corporate Control of a Common Carrier )  
Providing Domestic Interstate Service )

File No. \_\_\_\_\_

CC -

**WF&G  
STAMP IN**

01-314

**AMENDED APPLICATION FOR A TRANSFER OF CONTROL**

NEVD Holdings, LLC ("NEVD"), together with M/C Venture Partners V, L.P. ("M/C V"), M/C Venture Investors LLC ("M/C Investors"), and Chestnut Venture Partners, L.P. ("Chestnut", and collectively, the "Investors"), pursuant to Section 1.65 of the Commission's rules, 47 C.F.R. § 1.65, hereby amend a prior application seeking authority to complete a *pro forma* transfer of corporate control, whereby NEVD sought to be reorganized as a corporation, NEVD Holdings, Inc. ("NEVD Inc.").<sup>1</sup> By this amendment, NEVD and the Investors seek to change the name of NEVD Holdings, Inc. to Conversent Holdings, Inc. ("Conversent"). Thus, NEVD and the Investors seek authority to complete a *pro forma* transfer of corporate control, whereby NEVD will reorganize as a corporation, Conversent Holdings, Inc.

In addition, NEVD and the Investors seek authority to permit the Investors to acquire approximately 35 percent of the voting equity of Conversent. With this equity ownership, the Investors would have the power to nominate two directors to Conversent's five member Board of Directors. NEVD would have the right to appoint three directors,

<sup>1</sup> See, *NEVD Holdings, LLC - Application for Authority Under Section 214 of the Communications Act of 1934, as amended, For a Pro Forma Transfer of Corporate Control of a Common Carrier Providing Domestic Interstate Service*, File No. \_\_\_\_\_, filed Oct. 18, 2001.

one of whom will be subject to Investors' approval, which approval may not be unreasonably withheld. As part of this transaction, the Investors would also obtain approval rights over a variety of corporate matters, including Conversent's annual operating plan, capital expenditures, and other spending, as well as any changes to Conversent's senior management.

Finally, beginning four years after consummation of the transaction, Investors will, at specified times, have the right to exercise voting control over the Board of Directors so as to enable the Investors to effectuate a sale of Conversent if Conversent has not theretofore been sold. As part of this application, Conversent and Investors seek approval, pursuant to Section 214 of the Communications Act, as amended, for Investors to acquire control of Conversent pursuant to this right so as to enable Investors to effectuate a sale of Conversent at some point in the future. Any such sale will be consummated only after obtaining prior FCC approval pursuant to Section 214.

Currently, operating subsidiaries of NEVD provide domestic interstate service under the blanket Section 214 authority established under Section 63.01 of the Commission's Rules, 47 C.F.R. § 63.01. It is this authority that is the subject of this Amended Application.

This Amended Application replaces that which was filed on October 18, 2001. Pursuant to the guidelines set out in the Commission's Public Notice released July 20, 2001,<sup>2</sup> NEVD and the Investors set forth the following information in support of this Amended Application.

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<sup>2</sup> *Common Carrier Bureau Announces Procedures for Applicants Requiring Section 214 Authorization for Acquisitions of Corporate Control*, DA 01-1654, rel. July 20, 2001.

**I. Description of the Parties, the Transaction, and the Services Provided**

NEVD is a Rhode Island limited liability company. It is the holding company for a number of direct and indirect subsidiaries that provide a variety of communications services, including local exchange, long distance, international, and data services to customers in the Mid-Atlantic and New England regions.

Conversent will be formed as a Delaware corporation. It currently does not have any subsidiaries, and does not provide any telecommunications services.

The Investors are a group of related private equity firms. The general partner of M/C V is M/C VP V LLC. The managers of M/C VP V LLC are James F. Wade, Peter H.O. Claudy, David D. Croll, and Matthew J. Rubins. The general partner of Chestnut is Chestnut Street Partners, Inc. David D. Croll is president and 100 percent shareholder of Chestnut Street Partners, Inc. The managers of M/C Investors are James F. Wade, Peter H.O. Claudy, and David D. Croll.

NEVD and the Investors propose to effectuate a two-step transaction. In step one, NEVD would convert to a corporation by contributing the ownership of its subsidiaries to Conversent. In exchange, NEVD would receive capital stock in Conversent. Therefore, the ultimate ownership and control of NEVD's current direct and indirect subsidiaries would remain unchanged as a result of step one of the proposed transaction.

In step two, Conversent would issue new preferred stock to the Investors. Following this investment and on a fully-diluted basis, voting equity of Conversent would be held as follows: NEVD, approximately 50 percent (the exact percentage will be slightly in excess of 50 percent); the Investors, approximately 35 percent; and various individuals, including managers and employees of the Conversent entities, approximately 15 percent.

Conversent will be governed by a five member Board of Directors. The Investors will have the right to appoint two directors. NEVD will have the right to appoint the remaining three directors, one of whom will be subject to the Investors' approval, which approval may not be unreasonably withheld. By virtue of their ownership in Conversent, the Investors would obtain approval rights over a variety of corporate matters, including Conversent's annual operating plan, capital expenditures, and other spending, as well as any changes to Conversent's senior management. In addition, beginning four years after consummation of the transaction, Investors will, at specified times, have the right to exercise voting control over the Board of Directors so as to enable the Investors to effectuate a sale of Conversent if Conversent has not theretofore been sold. As mentioned, any such sale will be consummated only after obtaining prior FCC approval pursuant to Section 214.

Correspondence concerning this application should be addressed to:

Thomas Jones  
Willkie Farr & Gallagher  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20036  
Tel. (202) 328-8000  
Fax (202) 887-8979

## **II. List of Applications Pending or To Be Filed**

Pursuant to Section 63.18(e)(3) of the Commission's Rules, 47 C.F.R. § 63.18(e)(3), NEVD and the Investors are filing an application for a transfer of control of international Section 214 authorizations held by various subsidiaries of NEVD with the International Bureau.

**III. Copy of the Relevant Merger Agreement, if Any**

As this transaction represents an intracorporate restructuring with a subsequent investment, there is no relevant merger agreement.

**IV. Public Interest Considerations**

Granting this Amended Application serves the public interest, convenience, and necessity. The proposed transaction involves no change in the entity providing service to customers, nor does it propose any change to the terms and conditions of such service. The restructuring does not affect the technical or financial qualifications of NEVD or any of its operating subsidiaries. The management of Conversent will not change as a result of the proposed transactions, and all customer and regulatory contacts for the operating subsidiaries will remain unchanged. Thus, the transaction will be completely transparent to customers.

This transaction will enable NEVD to obtain needed equity funding to expand the service offerings of its subsidiaries, thereby enabling them to compete in the domestic and international marketplaces more efficiently. It is important that NEVD be able to close this transaction as soon as possible. For this reason, NEVD and the Investors request that the Commission expedite its processing of this Amended Application once the statutory public notice period ends. In order to facilitate this process and for the staff's convenience, a draft Public Notice for the instant Amended Application consistent with the form used by the staff with prior transactions is attached hereto. An electronic copy of the draft Public Notice will be transmitted to the Commission's staff upon request.

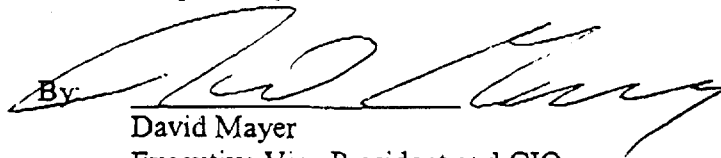
V. Anti-Drug Abuse Act of 1998

As evidenced by the certification provided in Attachment 1, no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

VI. Conclusion

In light of the above, NEVD and the Investors respectfully request that the Commission expeditiously grant this Amended Application.

Respectfully submitted,

By: 

David Mayer  
Executive Vice President and CIO  
NEVD Holdings, LLC  
222 Richmond Street  
Suite 206  
Providence, RI 02903

By:

Peter H.O. Claudy  
General Partner and Manager  
M/C Venture Partners V, L.P.  
M/C Venture Investors LLC  
Chestnut Venture Partners  
75 State Street, Suite 2500  
Boston, MA 02190

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1155 21<sup>st</sup> Street, NW, Suite 600  
Washington, D.C. 20036  
Tel. (202) 328-8000  
Fax (202) 887-8979

Counsel for NEVD Holdings, LLC

November 2, 2001



Attachment 1CERTIFICATE

The undersigned hereby certifies, on behalf of NEVD Holdings, LLC ("NEVD"), with respect to the foregoing application for authority to conduct a transfer of corporate control, that:

it is not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

By 

David Mayer  
Executive Vice President and CIO  
NEVD HOLDINGS, LLC  
222 Richmond Street, Suite 206  
Providence, RI 02903  
Tel. (401) 490-6377  
Fax (401) 272-9751

November 2, 2001

**V. Anti-Drug Abuse Act of 1998**

As evidenced by the certification provided in Attachment 1, no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

**VI. Conclusion**

In light of the above, NEVD and the Investors respectfully request that the Commission expeditiously grant this Amended Application.

Respectfully submitted,

By:

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David Mayer  
Executive Vice President and CIO  
NEVD Holdings, LLC  
222 Richmond Street  
Suite 206  
Providence, RI 02903

By:

  
\_\_\_\_\_  
Peter H.O. Claudy  
General Partner and Manager  
M/C Venture Partners V, L.P.  
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Tel. (202) 328-8000  
Fax (202) 887-8979

Counsel for NEVD Holdings, LLC

November 2, 2001

Attachment 1CERTIFICATE

The undersigned hereby certifies, on behalf of M/C Venture Partners V, L.P., M/C Venture Investors LLC and Chestnut Venture Partners, L.P., with respect to the foregoing application for authority to conduct a transfer of corporate control, that:

they are not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

By: 

Peter H.O. Claudy  
General Partner and Manager  
M/C Venture Partners V, L.P.  
M/C Venture Investors LLC  
Chestnut Venture Partners, L.P.  
75 State Street, Suite 2500  
Boston, MA 02190

November 2, 2001